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INFORMATION REPORT

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Situation in the Wiener Kabelwerk

3. On 4 August 1948, Engineer Erich Frisch, Austrian director of the USIA-controlled Wiener Kabelwerk, appeared at the office of Siemens-Schuckert G.m.b.H in Vienna I and attempted to sell this concern large quantities of aluminum and lead covered cable, insulated wire, and enamelled wire. He stated that the cable factory was having severe marketing difficulties, since other USIA factories were no longer placing orders of any considerable size, and foreign markets seemed to have fallen away. In this connection he mentioned that deliveries to Yugoslavia had stopped completely, and those to Czechoslovakia had fallen off sharply. Frisch remarked further that not only had the Soviets virtually ceased to buy the output of the cable factory, but he also implied that further production was being strongly handicapped as a result of cessation of copper deliveries from Yugoslavia [REDACTED] 25X1A

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Comment: [REDACTED] since Frisch indicated his 25X1X visit to Siemens G.m.b.H. had the blessing of the Soviet director, Asinev, it would appear that the cable factory is using every possible means to maintain financial solvency through the sale of accumulated goods.

25X1A
25X1XAustrian Electrical Goods Dealers as Soviet Industrial Espionage Agents

4. [REDACTED] the following firms are engaged in gathering industrial information for the Soviets: Hitzinger & Co., Linz; Hansalik Kom. Ges., Vienna IX, Bangasse 20; Pircher, Bregenz, Vorarlberg. Furthermore, all these firms are said, to receive their merchandise from USIA at prices below those charged other dealers. Another firm which is said to enjoy especially good commercial relations with USIA is H. Pittner & Co., Vienna I, Zedlitzgasse 5. Since these firms have repeatedly sold their electric motors at prices above the Austrian ceiling, both the Siemens-Schuckert G.m.b.H. and the Trade Union have made representations to the [REDACTED] authorities to curb such unfair practices.

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[REDACTED]
SHARIKOV, head of the Electrical Industry Section of USIA, has been making frequent personal inspection tours of the principal USIA-controlled electrical plants. He is allegedly dissatisfied with the laxity of managerial control in the factories and is attempting to put an end to private sales of products by Soviet officials in the factories. In the case of the USIA-controlled AEG factory in Vienna XXI, SHARIKOV has decreed that all motors, immediately upon completion, shall be transferred to a central warehouse in Inzersdorf. Admittance to this warehouse is permitted only with individual passes signed by SHARIKOV.

6.

[REDACTED]
G.m.b.H., that he could arrange to grant a credit of two million schillings to Siemens G.m.b.H., provided the money was used for purchase of USIA electrical goods. This offer was parried at the time, pending discovery of USIA's motives in making such an offer, and also in order to avoid incurring any obligation to USIA. On 1 September 1948, the Electrical Industry Section of USIA informed Siemens G.m.b.H. that inquiries into their credit rating had proved so favorable that USIA had opened an account for the Austrian company. Contrary to usual USIA practice, Siemens G.m.b.H. is no longer required to pay for purchases of USIA-produced goods in advance, but has a period of 30 days in which to meet obligations. It was indicated that the company will take advantage of this offer when purchases can be made for favorable prices.

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Changes in Management of USIA-controlled factories

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8. Both Tupy and Director Frisch of the cable factory are reported to have been denied further access to the cable factory, because of alleged attempts to dispose of cable production without the knowledge of the Soviets. There is considerable talk concerning Tupy's disfavor with the Soviets and speculation on how long he will be retained as director of the Engerthstrasse plant.

98 Slavinsky, director of the Siemensstrasse plant of Siemens A.G., was removed from his post early in August 1943 and returned to the USSR.

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